

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Madison



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Hitler's First Year Transforms Reich

Nazis Have Accomplished Many Things in Consolidation of Power and in Foreign Affairs

BUT ECONOMIC PLANS FALTER

No Sign Yet That Fascist Government Can Overcome Depression

A year ago this month Adolf Hitler became fully established as master of Germany. It was on March 5, 1933, that the German people went to the polls and gave the Nazi leader the Reichstag majority he needed to bring the country under a Fascist dictatorship. A great deal has happened in Germany since that eventful day. History has been made with confusing rapidity, so much so that it has generally been impossible to gauge the final importance of developments.

Much of the Nazi pattern is not yet clear. We may, nevertheless, undertake at this time to strike some sort of a balance sheet—to note the accomplishments and failures of the Hitler government to date. It is too early, of course, to draw definite conclusions. It is too early for anyone to say that the National Socialist régime in Germany has proved a success or a failure. The best we can do at present is to count the events and attempt to detect certain trends.

Three Aims

During the first year Hitler mapped his campaign along three principal fronts. First, he sought to consolidate and make sure his power. Secondly, he made efforts to defeat the depression mainly by reducing unemployment. And finally, he endeavored to improve Germany's international situation—to restore her to her former position of prominence. What is his record in each of these fields, now that a year has ended?

There is no doubt that the most conspicuous success has attended his attempts to strengthen his grip on Germany. When he became chancellor on January 30, 1933, he already had the support of some 700,000 Storm Troops, a private army which, once clothed with authority, made possible the suppression of all opposition. Immediately after the elections a brutal war was waged on National Socialism's foremost enemies—Jews, Communists and Socialists. The reverberations of this ruthlessness are still being heard. Only a few days ago a large mass meeting was held in New York, at which Hitler was placed on trial and condemned as a prime destroyer of human rights and human liberties.

At the same time Hitler moved quickly to do away with opposition political parties. The Communist party was dissolved after the Reichstag building was burned down on February 28. The Social Democrats soon suffered the same fate. The Catholic Center party agreed to disband when it became apparent that submission was preferable to oppression. The Nationalists, monarchist party of Hugenberg, were the last to go. They supported Hitler in the Reichstag after the election and made possible his control of fifty-two per cent of the votes. But this service was

(Continued on page 6)



THE OLD VIOLINIST

(An etching by Isabel Codrington, from "Fine Prints of the Year—1933." Minton, Balch.)

Provision for the Unfortunate

A short time ago a group of about fifty senators and representatives, economists, churchmen and newspaper men came together in Washington and spent an evening discussing the need for social insurance; particularly old age pensions. They considered the probabilities of passing at this session one or more of the several social insurance measures now pending in Congress. The Dill-Connery bill, for example, calls for joint support of an old age pension fund by national and state governments. It is proposed that one third of the fund be contributed by the federal government.

Bishop Freeman of Washington, addressing the meeting, called attention to a new spirit which is manifesting itself in America these days—a sympathetic spirit which impels people to act for the prevention of human suffering. We are more sensitive to the hardships of the unfortunate, he says, and act more quickly in response to the promptings of conscience. This new spirit is shown in a support of humanitarian measures; "measures looking to the easing of the strain of men who have had placed upon them burdens greater than should be borne." Under the force of circumstances, declared the bishop, we are having to recast our views, and as a result many conservative persons are now advocating measures of relief and reform which, a few years ago, would have been considered socialistic.

Account is now being taken of the fact that dependence in old age results very frequently from causes over which the individual has little or no control. During the so-called prosperous years which preceded the crash, it was commonly assumed by the successful that those who were insecure had failed to provide for themselves through their own shiftlessness. But since 1929 too many people have felt the force of economic circumstances. All of us have seen that we are largely the creatures of economic circumstances. We go up or down as a result, not only of our own efforts, but also as a result of economic conditions of world-wide scope. We are coming to see, therefore, that provision for those who fall behind in the economic race becomes a social responsibility.

Since the aged poor and the unemployed must be cared for; since they cannot be allowed to starve, and since the cost of their support falls upon the public in any case, the argument seems to be overwhelming in favor of an orderly scheme of insurance or pensions rather than disorganized and sometimes degrading charity or doles.

Shorter Hours Plan Opposed by Industry

Business Men on Code Authorities Claim Added Costs of Labor Would Be Too Much

EMPLOYMENT PROBLEM REMAINS

Roosevelt Administration Is Pushed Toward Recovery More Than Reform

Once again American industry has come face to face with the problem of unemployment. The effort of the Roosevelt administration has been to combat unemployment through two main channels—the government, and private business. People out of work have had to be supported through various forms of relief. Local communities, state governments and the federal government have shared this burden, with the major portion of it falling upon the federal government during the last year. Several million families have been dependent upon this direct relief. At the same time the administration tried to take up the slack of unemployment in part by means of the CCC, the CWA, and PWA. The second channel—private business—was expected to reemploy at least four million persons through NRA.

Not Enough Reemployment

In that expectation lies the chief disappointment in the Roosevelt industrial plan during the last nine months. Private business has not supplied anywhere near as many jobs as are needed. In order to understand what a crucial difficulty this matter of employment is, we must consider to some extent the planning idea, placing this particular problem in its proper perspective.

If we are trying to achieve recovery only, attempting to get back to the level of prosperity of 1926-1929 without any extensive readjustment of industry for the future, our goal is primarily to put back to work as many employable persons as were working during that period. We would still have a million or more unemployed, but presumably enough people would be receiving pay checks to buy goods on the 1928 level and to keep production at that level. If that is our object, then clearly the return of about eight or ten million people to their jobs is necessary.

If, on the other hand, we are trying to achieve more than recovery, the matter of employment must be viewed in a somewhat different light. What more can we want than recovery, with factory wheels turning and mills going full blast, and millions of Americans earning regular wages, buying automobiles, radios, real estate, and gadgets of all kinds? The Roosevelt administration has indicated time and again that it does not believe recovery is enough. A dozen administration leaders have stressed the necessity of reform and want to carry the national planning idea beyond the measure of prosperity we had in 1929.

Their reasons are clear. They believe the "prosperity" of 1929 was really limited to a fairly small percentage of our population. They think also that it was an unsound prosperity, that it carried within itself the seeds of its own destruction. Goods were produced during the

(Concluded on page 7)



CONGRESSMAN SIROVICH OF NEW YORK POINTS OUT TO SPEAKER RAINEY SOME OF THE HARMFUL DRUGS WHICH THE PROPOSED FOOD AND DRUGS BILL WOULD BAN

Notes From the News

Dern Gains Prominence; Judgment Against the Nazis; Florida Comes Back; New York's Relief Lottery Plan; New Russian Airship Project

ALTHOUGH George H. Dern, secretary of war, has not been one of the most conspicuous members of the Roosevelt cabinet, he has been vested with a considerable share of emergency tasks. When the Civilian Conservation Corps camps were being formed, President Roosevelt called upon Mr. Dern and the army to supervise the work. Army officers and engineers were sent by Mr. Dern to help run the PWA and the CWA. Then the president recently called upon Mr. Dern to take over the nation's air-mail service. It is true that the army air corps has been very unfortunate in carrying on this service, but army flyers have been handicapped by unusually severe weather conditions and also by lack of proper equipment.

Mr. Dern's early life was spent in Nebraska, where he attended the state university. Later he became a bookkeeper, then treasurer and then general manager of a large gold mining company. Turning to engineering, he and an associate invented the Holt-Dern Ore Roaster to extract minerals from low grade ores. This device is used in many countries. Through it and his other work, Mr. Dern became quite wealthy.

His political life began in the state senate of Utah. He generally took the liberal side on important issues. Largely through his efforts, the state adopted a Workmen's Compensation Act. In 1924 Mr. Dern was elected governor of Utah on a fusion ticket composed of Progressives and Democrats. He served until 1932. One of his chief contributions as governor was the reforming of the state's tax system, thus reducing taxes on homes and farms. His progressivism was also in evidence when he joined the ranks of those believing in state development of electric power. Though Mr. Dern had had no experience in army life before coming to Washington, he has not failed to make the most of the knowledge and experience of the general staff officers of his department. Already, he is said to have an excellent grasp of the problems of his department.

President Roosevelt first became impressed with Mr. Dern's ability at the Governor's Conference in Richmond, Virginia on April 26, 1932. Mr. Dern delivered an address in which he urged many of the industrial and economic reforms that have since been carried out.

Nazi Government Convicted

A huge mass meeting, attended by more than 20,000 people, was held in Madison Square Garden, New York City, a short time ago for the purpose of denouncing the "evils" of Hitlerism. Such notables as Alfred Smith, Samuel Seabury and Mayor La Guardia participated in the event.

At a mock trial, the Nazi government was convicted of a crime against civilization. The verdict was read by Senator Tydings of Maryland. The Nazi government was accused of committing wrongs against democracy, free speech, free press and free assembly, against religious and civil liberties, academic freedom, against the arts and sciences, world peace, workmen and all minorities. "We declare," the indictment read, "that the Hitler government is compelling the German people to turn back from civilization to an antiquated and barbarous despotism which menaces the progress of mankind toward peace and freedom, and is a present threat against civilized life throughout the world."

1933 National Income

The National Industrial Conference Board of New York has released its estimate of the national income for 1933. The total United States incomes amounted to \$39,800,000,000, according to the report. This represents an increase of one and a half billion over 1932. If the national income for the year were divided equally among all the people of the country, every man, woman, and child would receive \$316, as compared to \$307 in 1932.

Lottery Suggested for New York

A novel lottery plan to raise money for relief purposes has been submitted to Mayor La Guardia of New York City for his consideration. Briefly the plan is this: A corporation would be set up with the

mayor and other city officials, as well as "seven outstanding citizens not in the employ of the City of New York," acting in the capacity of trustees. The officers of the corporation, however, would be chosen by chance. Every six months the people of New York would be offered the opportunity to risk \$2.50 on a chance of being selected as an officer. The names of all the people paying this fee would be placed in a jury wheel (the same method by which jurors are selected) and the lucky few whose names were drawn from the wheel would be made officers in the corporation with large salaries.

The president would receive \$25,000 for six months, a vice-president, \$20,000, nine additional vice-presidents, \$15,000 each, three secretaries, \$10,000 each, ten sergeants-at-arms, \$5,000 each. These officers, according to the plan, would not be mere figureheads, but would spend their entire time in administering the relief needs of the city. After their salaries had been paid, the remaining money of the lottery would be placed in the city treasury to be used for relief purposes.

This idea was conceived by John L. Lyons, who was elected borough president in the city elections last fall. Mayor La Guardia is much interested in the plan; in fact, he has discussed it with Governor Lehman. Prominent New York lawyers have expressed the opinion that the plan could be worked out under existing laws. This same practice—that of having public lotteries in order to raise money for public welfare purposes—prevails on a large scale in Europe. Its advocates contend that it is better for "gambling money" to be used for public needs than for filling the pocket-books of a few private individuals.

The Tide Is Turning

Long-depressed Florida is having its best tourist season in years, according to reports. In Miami and other places, the hotels are said to be having their best business since the height of the Florida boom in 1925. That state, dependent as it is upon tourist trade, has been one of the worst sufferers of the depression. Wildcat speculation and other boom factors threw the state into confusion and depression several years before the nation was afflicted with hard times. More than 150 Florida cities have been compelled to default on their debts. However, with another season like the present one, the people of that state may be able to forget their troubles.

U. S.—Panama Highway

On March 6 President Roosevelt sent a brief message to Congress containing the report of a three-year survey which has been made for an inter-American highway between the Republic of Panama and the United States. The president informed Congress of the splendid cooperation that the surveyors received from Panama and other countries through which the proposed route would pass. This highway, when completed, will be only the first link of the long-dreamed-of Pan-American Highway, which will extend to Argentina. Mexican highway officials, certain organizations in this country and Central American governments are all working in the attempt to realize this project within a few years.

Soviets at It Again

The Soviets are taking up stratosphere flights in a big way. Elaborate preparations are under way for the construction of new aircrafts capable of soaring far into the heavens. The preparatory plans for one of these projects, which has not been officially approved as yet but which is expected to be soon, is unique. It is a combination airplane-dirigible. It would have the form of a gigantic monoplane, 410 feet long, 111 feet high and 167 feet wide, with arrangements to contain an enormous amount of helium or other elevating gas. Six 1,000-horsepower engines would propel the ship, making possible a speed of 558 miles an hour, according to its designer, who also predicts that it could reach a height of over twenty-one miles.

Queen of Sheba

Two French flying explorers recently created a sensation by sending a message to Paris stating that they had sighted the ancient city in which the Queen of Sheba lived. As the two flyers did not land, their report was brief. They said: "Have discovered legendary town Sheba; twenty towers or temples still stand." They took photographs and later they plan to explore the region thoroughly.



—FROM N. Y. HERALD-TRIBUNE
THE ANCIENT CITY OF SHEBA
The Maltese cross marks the location of the newly discovered ruins.

The location of the ancient country of Sheba, mentioned in the Bible and whose queen is said to have paid a royal visit to the court of King Solomon, has always been a mystery. Most archaeologists, as a result of their findings, have believed that the capital of Sheba was in the southern part of Arabia, and they are skeptical that the newly discovered ruins are those of the Sheban capital. However, M. Malraux, a French prize-winning novelist, became convinced from information obtained in Arabia that the capital city of Sheba was buried under the desert sands in the western part of the country. He and his companion flew almost a thousand miles across the burning Arabian desert land before finally sighting a ruined city.

Correction

We are sorry to say that an error appeared in the February 26 issue of THE AMERICAN OBSERVER. The statement was made that in choosing a president the electors from the states cast their ballots in Washington. Instead the electors of each state cast their ballots in the state capitals. It has been the custom for three official reports of these ballots to be prepared; one to be deposited with the United States District Court; another to be mailed and still another to be sent to the president of the Senate by messenger. It has been the general custom for one of the electors to be chosen from each state as a delegate to bear the certificate of election to the president of the Senate.

It was with this fact in mind that the writer of our note spoke as though the ballots were actually cast in Washington. As a matter of fact, the delivery of the certificate by a messenger (usually one of the electors) has been dispensed with in recent years and now dependence is placed only upon the mails to carry to Washington the results of the balloting in the state capitals.



LOS ANGELES COUNTY'S NEW GENERAL HOSPITAL

Largest institution of its kind. It contains thirty acres of floor space, provides beds for 1,911 people, and will employ the services of a staff of 1,000 physicians, surgeons, internes, nurses, orderlies and others.

AROUND THE WORLD

Italy: A three-power agreement among Italy, Hungary and Austria, to preserve the independence of the latter in the face of threatened Nazi aggression, was expected to be the major outcome of the premiers' meeting in Rome beginning March 14. Mussolini is reported to have become disgusted with past fruitless efforts of the powers to bring settled conditions to central Europe. Resolved to take the initiative, and nursing the hope of extending Italy's influence, Il Duce invited Chancellor Dollfuss and Premier Goemboes to the conference in the Italian capital.

France: The Cross of Fire, French veterans' organization, which claims to have been recruiting new members by the thousand, has announced its intention of turning France into a Fascist state if possible. Determined to fight Communism, the veterans want to establish a corporate state and express enthusiasm for the work of the Fascists in Italy and the Nazis in Germany. Whether this will be the nucleus for the growth of a real Fascist movement in France remains to be seen.

Manchukuo: Dr. K. Knoll, commercial secretary of the German embassy in Japan, recently had an interview with Emperor Kang Teh (Pu Yi) of Manchukuo. It was said to be the first interview between Kang Teh and a foreign diplomatic representative of any nation other than Japan, since the establishment of Manchukuo. Dr. Knoll had been commissioned to draw up a report on German trade opportunities in Manchukuo. The Germans, it is believed, are flirting with the idea of recognizing Manchukuo. So, apparently, are the French. A representative of the French National Association

for Economic Expansion, recently signed an agreement with the Japanese-owned South Manchuria Railway, for the development of business enterprises in Manchukuo.

Great Britain: In February, 1912, the British minister of war, Lord Haldane, visited Berlin and endeavored to persuade the kaiser not to contest Britain's naval supremacy. His warning went unheeded, Germany built up her fleet, and Britain's participation in the war as an enemy of Germany became assured. In February, 1934, Captain Anthony Eden was sent to Berlin by the British government on a mission similar to that of Lord Haldane's, twenty-two years earlier. Officially, Captain Eden was instructed to explain to the Germans the terms of the British disarmament plan and, if possible, to gain their adherence to it. Actually, however, he was sent to warn Hitler that Great Britain could not stand by and see Germany build a strong air fleet. A little later, General Goering frankly admitted that he intended to give Germany as strong an air force as any nation in Europe. And shortly afterward Stanley Baldwin declared in the House of Commons that Britain was prepared if necessary to "see to it that in air strength and air power this country shall no longer be in a position of inferiority to any country within striking distance of our shores."

Cuba: In an effort to prevent the outbreak of widespread strikes and labor disturbances the Mendieta government on March 6 suspended a number of important constitutional guaranties, restoring measures of control and suppression which had been common under Machado. It again became possible to arrest without charge and hold "enemies of the state";

censorship of letters, telephone calls and telegrams was ordered; authority to disperse meetings, seize editions of newspapers, lay heavy penalties on strike agitators and deport foreigners guilty of fomenting labor disturbances was claimed. In defiance, labor leaders called a wholesale twenty-four-hour strike for March 10, and President Mendieta retaliated by ordering the dissolution of all labor unions whose members joined in the strike. Militiamen and strike-breakers were called out for the emergency. The government was able to break the back of the strike and labor forces were generally disorganized. A state of alarming unrest has taken hold of the island, however. Meanwhile President Roosevelt hastened to work for a solution of the island's economic problem by setting up an export-import bank for the purpose of stimulating Cuban-American trade.

China: It was reported from Peiping last week that a Japanese official made inquiries with respect to American missions in North China "in order to avoid damage to these properties in the event the Japanese army finds it necessary to come southward from the Great Wall in the near future." The Japanese legation in Peiping denied that there was any significance to the inquiries, and pointed out that the Japanese had formally declared that they had no ambition to gain possession of any Chinese territory to the south of the Great Wall.

Virgin Islands: The United States Department of Interior is planning to develop the rum and sugar industries of the Virgin Islands on a cooperative basis. The islands will be operated by a special Virgin Islands Company. The profits of this

company will be turned over half to the general welfare fund and half to the workers. The government intends to purchase 6,000 acres of land, to be divided into small plots, for subsistence homesteads. Two-room houses will be built and sold to the inhabitants on long-term credit. The whole plan provides for an experiment in public ownership and management which will receive the closest scrutiny as it progresses.

Japan: A Trade Defense bill was introduced in the Japanese House of Representatives on March 9. It would give the government full authority to increase or reduce tariffs and to restrict and even prohibit imports and exports when necessary. It was said that such legislation is needed because other nations are tending to employ special measures against Japanese competition. With this authority the government will be in control of the nation's foreign trade. It will be able to bargain or institute retaliatory measures at will.

Germany: Chancellor Hitler believes that there are not enough automobiles in Germany. For a population of 60,000,000 people, 500,000 cars are not enough, especially when it is considered that the United States has 24,000,000 vehicles. At this rate Germany should have 12,000,000. When he addressed the opening of the Berlin automobile show on March 10, therefore, Hitler demanded that automobiles be manufactured on a wider scale, and at a lower price, to bring them within the reach of Mr. Average German's pocketbook. He hopes soon to have 3,000,000 automobiles in the country, although doubt has been expressed that the factories can turn them out at such a low price and that the German people will be able to buy them at any price.

THE QUALITY OF ENGLAND

THERE is a well-known story about the Englishman who, upon the occasion of a severe storm which crippled communication across the English Channel, comfortably remarked that the European continent had been cut off from England. Like that Indian of kindred spirit who grunted stolidly and said that he wasn't lost but that his village was, this Englishman never for a moment doubted that, as between the two, England was infinitely more important than the continent.

The anecdote furnishes a certain clue to the character of the English. For so many years Britain was the dominant world power, with an empire on which the sun could never quite manage to set, that the Englishman has naturally grown up with the idea that there is about his country a happy quality of supremacy and leadership which has been denied the rest of mankind. "Britannia Rules the Waves," "Mother England," and other similar phrases express convictions which are an essential part of each Englishman's mental furniture.

We Americans, who are so used to the report that England is constantly and inevitably declining, are likely to smile at the Englishman's estimate of himself. To our mind England is symbolized by the proud gentleman of the old school who has suffered grievous losses in his personal fortunes, but who nevertheless hangs on to his ancestral estates and puts up a brave front, attempting to preserve intact all the complicated traditions of his illustrious forebears. Somehow or other he keeps one jump ahead of the mortgage collector but is just another behind three square meals a day.

Which of these two views, the English or the American, is correct? Of course, neither one nor the other is wholly true for it is obviously impossible to sum up the many varied characteristics of a country in half a dozen sentences. But bearing in mind the fact that any generalization is inaccurate, we may still endeavor to arrive at some conclusions.

To the Englishman it may be said (and he will hardly

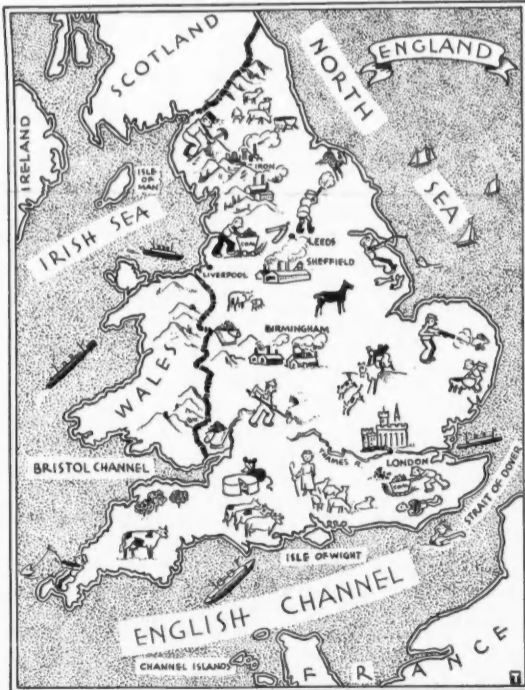
deny it) that the day of Britain's supremacy is over. If the empire is still far flung it is mainly because the individual units either find it convenient to remain in the network, Canada and Australia for example, or, as in the case of Ireland and India, they are incapable of uniting upon and putting into effect a policy of separation. In any event, the ties which have bound the empire are now loose

and could quite easily be severed. The union is not maintained by the power of Britain.

Nor does Britannia rule the waves any longer; she must share them with others. More and more her position as the world's leading trading nation is being threatened by the United States, and particularly at present by Japan, whose program of economic expansion has put fear into the heart of many a British exporter. And finally a long-continued period of post-war depression has immeasurably shaken the internal structure of England herself. In recent months observers have been commenting upon the rising tide of Fascism, and while England may not go the way of Germany, she at least appears to be headed for a crisis with regard to her political system.

But when all this has been said, the American may be reminded that when he talks about the decline of England he generally overlooks an important fact. The English have always, far more than any other nation, been able to adjust themselves to new circumstances, new conditions, without losing their high abilities of leadership. Historians have again and again noted that while other countries have progressed by revolution, England has gone forward by evolution. It is precisely this quality of resilience which has gained for England a position of importance and has enabled her to keep it.

The idea that England is on the decline, therefore, is not wholly warranted. She has sustained losses and may be in for more, but she may be counted upon to remain in the swim. Wisdom and experience, more than actual power, are her assets, and these cannot be taken from her. She has had rude shocks in the course of her long career, but has always survived them. She will continue adjusting herself again and again as time goes on and may be expected, because of her special qualities, to remain a leader in point of view of prestige if not of power. The mortgage collector never quite manages to catch up with the Englishman, and we may hope that he will be able to have at least two meals a day if three are impossible.



—Drawn for THE AMERICAN OBSERVER
ENGLAND

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THE PRESIDENT AND THE PRESS

It may be interesting to our readers to know what the relations are between President Roosevelt and the representatives of the press. How does the president go about it to place in the hands of the newspapers the facts which he wants the public to know? How are the conferences between him and the press representatives conducted? How do the papers get the facts which readers all over the country look upon as "the news" regarding the president's policies?

President Roosevelt holds a conference twice a week in his office. These conferences may be attended by any newspaper man who has been elected to the White House Press Association. The conferences are usually held at ten-thirty Wednesday morning and four o'clock Friday afternoon, though the hours may be shifted. As the hour for a conference approaches, and the correspondents enter the outer room of the west wing of the White House, the wing given over to the executive offices, they will see a number of officers and members of the White House clerical force. All persons entering will be scrutinized closely to see that no one comes unless he has a right to be at the conference. The correspondents mill around in this room discussing the developments of the day and waiting for the signal when they may enter the president's private office.

When this signal is given there is a rush into the office. The president is found seated at a desk with his back to the large oval-windowed south side of the room. The correspondents gather around the desk. When they are all in, the room is nearly filled. While they are coming in the president speaks and jokes with some of the men whom he knows. Then, if he has any news to announce he announces it and gives the story of something which is happening or of some policy he has inaugurated. He is quite willing at any time for a correspondent to interrupt him with a question. When he has finished his statement, which is given very informally, questions may be asked by any of the newspaper men.

The president answers these questions informally and freely. He never appears to dodge an issue or to be evasive. Sometimes he will say, "I am not ready to go into that," or, "I cannot say anything about that at present." Sometimes he will tell the inquirer that he does not have the information which is asked for. He will suggest that the correspondent asking the question should see General Johnson or Harry Hopkins or some member of the administration who has the matter directly in charge. The president answers the questions thoughtfully

and yet he frequently falls into a joking mood. Instead of answering a question he may ask one himself. He laughs heartily if he turns a joke on some inquirer or if one is turned on him. These questions and answers go on for about half an hour and then the conference is terminated.

Those in attendance are not permitted to quote the president directly. They may use the material which he gives them and on the basis of what he tells them they may write their stories regarding the news and developments of the day. But they may not quote the president unless he gives special permission for them to do so. By following this method the president is able to place his ideas before the newspaper men and before the public without taking the trouble or going to the pains of making statements so carefully prepared that they could not be misunderstood if quoted directly.

Keep Out of Cuba?

The present uneasiness in Cuba (see page 3) is worrying official Washington, as the question of intervention in the affairs of the island may again arise. The Washington *Daily News*, a Scripps-Howard paper, takes the view that we should carefully avoid interference in Cuba. The editorial which follows gives a clear account of our relations with the Cubans:

Cubans are preparing for another revolution. And, true to the stupidity of reactionary governments down through history, the Havana regime is trying to put out the fire with gasoline. If there were no threat of revolt the latest decrees of President Mendieta would create it.

Indeed Mendieta is on the way to making himself as hated by the Cuban people as the bloody tyrant Machado. The revolution against Machado was long delayed because of his unholy alliance with Wall Street and Washington. With the change of administration in Washington, the new American envoy, Mr. Welles, became friendly with the group which replaced Machado with the more respectable conservative De Cespedes—in fact, Cubans charged that Mr. Welles picked him. But in the face of popular hostility De Cespedes quickly got out and was followed by the more liberal President Grau. Washington helped to drive out Grau simply by withholding American recognition—without which no Cuban government can survive, apparently.

Washington's excuse for withholding recognition of Grau was that it could not be sure he could preserve stable government—though he had done well under obstacles for four months. In contrast Washington took only four days to recognize the conservative, old-line politician Mendieta after the liberal Grau had been unseated.

This reminder of recent Cuban history is necessary to understand why the Cuban people and foreign governments are inclined to look upon Mendieta as Washington's man. Whether this is the whole truth or not, we have no way of knowing. But on the open record there is enough truth in it to put the Washington government in a very uncomfortable spot today.

For if the United States is underwriting Mendieta it is underwriting dictatorship and the destruction of Cuban civil liberties in violation of our treaty.

Under the new Mendieta decrees the rights of free speech, free press, and free assemblage are suspended; censorship is established; citizens may be arrested and held without charges, or deported, or imprisoned by special courts for alleged violation of arbitrary decrees against "promoting successive and progressive strikes," or "spreading political, social, racial or proletarian propaganda in schools or colleges," or "belonging to associations" breaking these decrees. Obviously it is easy to destroy all labor unions and to punish all political opposition to the dictatorship by these Hitlerian edicts.

Such tyranny doubtless will provoke revolution in the end, even though it may not come as soon as expected by Mendieta who is now hurriedly arming his palace with machine guns against the people.

It is important that the United States not be drawn deeper into the internal affairs of Cuba in any event, and certainly not in behalf of dictatorship. Before the Roosevelt administration gets itself more involved with Mendieta—as the Hoover administration got tied to Machado to its later sorrow—the Washington government publicly should disavow any meddling or intervention in Cuba's domestic affairs, and revise the Platt Amendment to conform.

Hearst and Japan

Can a newspaper owner bring about a strong feeling of antagonism between nations, even when there may be no such feeling between the countries in the first place? The Los Angeles *Times* thinks one of its competitors is doing just that, and explains how the feat appears to be done:

One fool yelling "Fire!" in a theater can bring about a fatal panic. One yellow journalist yelling "War!" in a world strung to the tenacity of a violin string endangers civilization.

The efforts of William Randolph Hearst to disturb international relations in the Pacific are based upon motives less excusable than the panic of a scared man in a theater. . . . Hearst's daily bullying of the Japanese in the columns of his various newspapers is suggestive of his war whoops just before the war with Spain.

Mr. Hearst is a voice thoroughly discredited in his own country. Nevertheless, his capacity to do harm to the relations between Japan and this country is very great and very dangerous.

Japan is a small, heavily armed country fighting not only for prestige and pride, but for existence. . . . Japan has less arable land than the state of California; she has a population far too large to support on her slender resources, but too small to threaten other great powers in normal conditions. . . .

It is because Japan fully recognizes her weakness that she is dangerous.

Through her rejection of the counsel of the League of Nations and her seizure of Manchuria, Japan has started on a desperate adventure. By straining her resources to the last notch she has built up a war machine of tremendous power. . . .

The Japanese people do not want war with us, but fear is in their hearts. Also suspicion. If they get the idea grounded in their minds that we are hostile to them, there will be war. . . .

There is no reason for enmity between Japan and the United States. The Japanese are among our best customers; we among



THE THIRTY-SIX-HOUR WEEK
—BROWN in N. Y. HERALD-TRIBUNE

the best of theirs. A new world is growing up in the Pacific. It can be a world of peace and harmony—with international relations as secure and friendly as those between the United States and Canada; or it can be a living hell of suspicion, distrust, armed sentries, dynamite and dangers like continental Europe.

The decision—which it is to be—depends upon the conduct of the people of this generation. The seeds for the future are now being planted. Whatever we do within the next ten years will establish conditions in the Pacific area for the next century. We start into the era either as friends or enemies. . . .

The Times earnestly recommends to Mr. Hearst that he find some other way to bolster up declining circulation.

A High School Paper Speaks

The following thoughtful opinion about the schools, young people, and temperance comes from the editorial column of the West Seattle High School newspaper, *Chinook*:

Our nation, our state, our community, our school, all are facing crises. All need competent guidance. Upon our schools falls an inescapable responsibility; the responsibility of training citizens and developing leaders.

In particular, the school should do something to acquaint students with the problems now facing them, for with the repeal of prohibition the real challenge is before the youth of America.

In many countries thoughtful young people are asking searching questions about the whole "drink" situation. . . . Students all over the world are taking an active part in far-seeing leadership in organized efforts to reduce the use of drink and to encourage temperance. All over the world permanent organizations in the schools have revived old folk dances and promoted new ways of having "good times," hand in hand with scientific study, to aid youth in combating an evil that is not of their own making. In several north European countries the colleges conduct temperance courses emphasizing new forms of sociability and amusement free from alcohol, seeking to popularize such activities and strengthen social resistance against the prevailing drink customs and traditions; for they know, as do all educators, that temperance will never be reached through legislation, only through education. . . .

Each boy and girl must face the test individually. It is up to each one of us to say, "Life means too much to me to sell it cheaply or to throw it away." On today's youth falls the responsibility of promoting and perpetuating clear-thinking temperance.

The Meaning of Dictatorship

What dictatorship means is described by Chester Rowell in the San Francisco *Chronicle*. Mr. Rowell believes that Fascism and Communism require the suppression of two great human needs, at least one of which is necessary to a satisfactory life:

We have laborers who dream of Socialism and capitalists who dream of Fascism, because they both work. They are more efficient than democracy, and they guard the control of the class in whose interest they are established. But these dreamers of an ideal should look clear-eyed on facts. Fascism and Socialism are no longer fancies in a book. They are practical going concerns. And wherever they have actually been tried they have exacted two prices for their efficiency. One is Liberty. The other is Truth.

The Liberty perhaps we could forego. There are those who would readily exchange personal and political liberty for economic security. If the majority preferred to pay that price, it would be their privilege to do so, as they have already done over most of the earth. America presumably will not do it; but it could. For freedom, being a product of the human will, can be abrogated by it, or made subject to it.

But not Truth. Truth remains, whether men know it, or seek it, or value it, or do not. The ages when Truth was suppressed were the ages when everything else stagnated and finally retrograded. And every Communist or Fascist dictatorship on earth today makes the suppression of truth the very first article of its policy. It abolishes liberty of speech and of the press; it propagandizes education, and turns research from the scientific quest of truth to its own ends. Even history is distorted into fiction; economic study is regimented; art is prostituted; scholarship is neither free nor fruitful; science is the handmaiden of politics; and teaching, speaking, preaching, writing and printing are all under orders.

That way lies the death of human progress.



ADDED IMPROVEMENTS
—Talbot in Washington News

Americans on Parade

"They Had Their Hour," by Marquis James. Indianapolis: Bobbs, Merrill. \$2.75.

FROM Captain Thomas Jones, pirate, to Dick Yeager, the western outlaw, a score of famous characters in American history pass on parade across the pages of this book. "They had their hour." Sometimes it was only a moment of glory, before death or disaster overtook them. But that moment was filled with glamour, which Marquis James brings to life again. Mr. James has explored the original sources of many familiar tales, and in several of these episodes he throws new light on them. His interpretations differ sometimes from those to which we are accustomed. For instance, to him the infamous Captain Kidd was not so much a pirate as a respectable business man, misled by a group of English aristocrats. Undoubtedly some historians will continue to disagree with Mr. James on that point, but his story of Kidd remains fascinating nevertheless. How many Americans, even those who boast descent from the passengers of the *Mayflower*, know that it was piloted on its perilous journey across the Atlantic by one of the boldest pirates of the time, Thomas Jones? Three breathless chapters concern John Wilkes Booth and his fellow plotters, as they plan the assassination of President Lincoln, as the deed is done, and as punishment is meted out to them. Other stories of an earlier America relate the true character of Thomas Jefferson, Benjamin Franklin, Major André, Benedict Arnold, and Paul Revere. Not many history books tell us that besides the midnight ride, Revere was noted as a silversmith and a manufacturer of false teeth. So much of our history needs retelling so that it will live and breathe, that it is to be hoped that Marquis James will make more expeditions into the bypaths of our legends, as he has explored in other books the main highways along which traveled Andrew Jackson and Sam Houston.

Is Japan a Menace?

"The Menace of Japan," by Taid O'Conroy. New York: H. C. Kinsey and Company. \$3.00.

PROFESSOR Taid O'Conroy is an Irishman by birth. The last fifteen years he has spent in Japan, part of which time he was a professor in Keio University in Tokyo. His wife is Japanese and he has had every opportunity to observe every aspect of Japanese life.

Professor O'Conroy has left Japan for good now and has written a book about the country. He calls Japan a menace. He claims to be the "greatest living authority on Japan in either hemisphere," and proceeds to write a scathing indictment of everything that is Japanese. The only exception he makes is the women whom he finds exquisite. The men are "ruthless, cruel, lustful and treacherous." Japan is a nation in which "coarseness is inherent in all the men . . . whose love of cruelty and bloodshed has obliterated all sense of delicacy."

Japan wants war, says Professor O'Conroy. Besides Manchukuo she has her eyes on "Siam, Shanghai, Singapore, Malaya, Burma, India, Hongkong, Hawaii, Australia, Indo-China and finally Great Asia." He declares that no treaty will bind her in the execution of this policy of expansion. Her leaders are determined to conquer all Asia or sacrifice the whole nation in the effort.

Upon reading this book one has the

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.



BARTOLOMEO COLLEONI—FROM THE STATUE BY VERROCCHIO IN VENICE
(Illustration in "The Story of the Sforzas")

feeling that Professor O'Conroy's statements are too sweeping to be fully convincing; that his mind is seared with hatred which blinds him to the good and causes him to enlarge the bad. Nevertheless many of his less startling comments are impressive. There is no doubt that he knows a great deal about Japan, and it is unfortunate that his book does not have the appearance of objectivity. It is worth reading, however, even though many will question his conclusions.

Italian Renaissance

"The Story of the Sforzas," by L. Collison-Morley. New York: E. P. Dutton and Company. \$3.75.

ABOUT a year ago, Mr. Collison-Morley's "The Story of the Borgias" was published. In that book, the author displayed a rare gift of scholarship. In treating one of the most maligned families of Renaissance history, he avoided the sensationalism which has been all too prevalent in studies of the Borgias. Rather he weighed all the evidence carefully and where a specific point was wrapped in controversy gave both interpretations.

In his new book, Mr. Collison-Morley maintains the same degree of scholarship.

He gives a complete and readable picture of the Sforza family which played such a conspicuous role in the history of Italy during the period of the Renaissance. Like the Medici of Florence and the Borgias of Naples, the Sforzas of Milan were dramatic figures of the times. Their story cannot but fail to claim the attention of all who have the slightest interest in history.

Mr. Collison-Morley's book may be wholeheartedly recommended. Not only is it the first comprehensive study of the Sforza family to appear in English, but it is a work which may stand on its own merits. It should be a part of every collection of Renaissance literature and should be placed alongside of such books as Young's "The Medici," and Roeder's recently published "The Man of the Renaissance."

Russian Affairs

"Duranty Reports Russia." New York: The Viking Press. \$2.75.

WALTER DURANTY is one of the few writers on affairs in the Soviet Union whose views are respected by nearly everyone for their fairness and impartiality. Almost since the inception of the Com-

munist régime, Mr. Duranty has been stationed in Moscow as special correspondent for the *New York Times*. His news dispatches have been read by thousands who, through them, have kept abreast of what has been going on in the Soviet Union.

This book is a collection of the more interesting and important of these news stories. They have been carefully selected and arranged by Gustavus Tuckerman, Jr., of New York University. Thus there is a certain unity and coherence which make the book extremely valuable to one who would refresh his memory. The book is logically divided into three parts: Russia Under Lenin, Stalinism, and Collectivization. It is by perusing a book of this sort that one is able to trace the developments of the last dozen years or so and follow the evolution of the greatest economic and social experiment of the century.

HITLER'S FIRST YEAR

(Concluded from page 6)

other nations must reduce their armaments to the German level or they must recognize Germany's right to possess weapons similar to theirs and heretofore forbidden her. France was of course unwilling to reduce her armaments and at the same time anxious to keep Germany in an inferior position. Moreover, she claimed that the Germans were arming secretly, although she never made an official complaint on this score.

The disarmament conference was deadlocked and seemed destined to remain so. Hitler then decided to take the bull by the horns. On October 14 he announced that since the nations were unwilling to accord Germany a position of equality, she would withdraw from both the disarmament conference and the League of Nations. Another crisis resulted, but no action was taken. Hitler gained an advantageous bargaining position and the nations have since been trying to lure him back into the League and the conference. He seems resolved to stay out. The prospects for a disarmament treaty are slender and already signs of a new armaments race are appearing. Germany is rearming whether the powers like it or not.

Hitler has also managed to reduce French influence on Poland, her important eastern ally. Recently he concluded a nonaggression pact with the Poles by which he promised to keep hands off the Polish Corridor for ten years. Some observers think he has a secret agreement with Poland under the terms of which both nations plan to acquire land at the expense of Russia. Poland would be given a new corridor to the north and Germany would regain the present one. This rumor, however, cannot be substantiated.

Finally Hitler has been doing everything possible to win Austria to the Nazi cause. A persistent Nazi campaign has been waged in Austria which has been resisted only by the energy of Chancellor Dollfuss with the help of France and Italy. At present Dollfuss has the upper hand and Italian influence in Austria has been growing. The Nazis are waiting for their day, however, and many think that it is only a

matter of time before the country falls under Hitler's wing. If this happens the forces of Hitlerism may begin a march through central Europe.

If we were to write down Hitler's score after his first year, it would obviously be two to one in his favor. But it must be remembered that his failure in the economic field may outweigh his successes elsewhere. The final test of his régime will depend upon whether he can restore prosperity.



SOVIET SILHOUETTE

(From the jacket of "The Red Fog Lifts," by Albert Muldavin. Appleton)



GERMANY'S LEADERS HONOR THE WAR DEAD

Left to right: Foreign Minister von Neurath; Count Schwerin Krosigk, Dr. Lippert, Dr. Frick, Herr Schmidt, Admiral Raeder, Chancellor Hitler, President von Hindenburg, General Goering and General von Fritsch.

Hitler's First Year - The Balance Sheet

(Continued from page 1)

soon forgotten. Hugenberg, who had been given a place in the cabinet, was ousted late in the summer, and the only remaining political party was Hitler's own National Socialist. Thus, the first principle of Fascist dictatorship, no opposition, was established.

The next move was directed against parliamentary government. When the Reichstag was called into session in Potsdam on March 21, it quickly passed an enabling act granting dictatorial powers to Hitler for a period of four years. Having abandoned its authority it adjourned, leaving Germany to the Nazis. Since then little has been heard of the Reichstag. The formality of another election was gone through in November in order to register a vote of approval for Hitler's foreign policies. A brief seven-minute meeting was held—again a formality—in December. On January 30 another session was held at which time Hitler was given the power to redraft the German constitution and unify the German states. The chancellor had already abolished the individual parliaments of the seventeen states. The Reichstag ratified this action by transferring the rights of all the states to the national government. The constitution is now being rewritten and it is believed that the old state boundaries which divided Germany into a number of unequal units will be abolished.

The latest effort to consolidate the power of the Hitler government involves labor. Labor unions have been done away with and a new labor law decreed, to become effective on May 1 of this year. After that time employers in Germany will be designated as "leaders" and employees as "followers." Each leader will be advised as to the operation and working conditions of his concern by a Confidential Council, to be selected by himself in consultation with the proper Nazi official. The whole structure will be presided over by thirteen Trustees of Labor, appointed by Chancellor Hitler, who will have final decision in all matters. They will dispose of minor infractions on the part of both workers and employers, by hailing the offenders before Courts of Social Honor, also under their control. It is apparent that every privilege of the workingman to seek a betterment of his own condition is to be subjected to the authority of the state. It will not be possible for labor movements to grow and oppose the dictates of the national government.

So far, every action of Hitler which we have recorded has been outstandingly successful. There has, however, been one conspicuous failure. When the government attempted to extend its authority to the church it met with resistance which has not yet yielded to pressure. Soon after the Nazis came into power it was decided to unify all the Protestant churches under one central authority. Differences in manners of worship were to be retained but the organizations were to

be coordinated. The churches were willing enough and no strong protest was heard until Dr. Müller, an army chaplain, who was acting as Hitler's adviser on church affairs, attempted to place himself at the head of the Protestant churches. The churches wanted to choose their own leader and actually elected one. But so many obstacles were placed in his path that he could not do his work and he soon gave way to Dr. Müller. Then a radical group of clergy tried to place the so-called "Aryan paragraph" in the church constitution. This clause would have made it impossible for all Christians of Jewish blood to preach in their churches. A storm of denunciation was evoked from indignant pastors. The "Aryan paragraph" had to be withdrawn. The battle is not over, however. There is still much resentment in the church and further attempts will probably be made to bring the rebelling pastors into submission.

But with the exception of religious matters Hitler's conquest of Germany has been swift and complete. Every aspect of the nation's life—including art, literature, music and the press—have been brought under rigid governmental control. The individual German today is regimented as he has never been before.

Economic Conditions

We come now to the second division of Hitler's activities, the depression. Here the record is far from being impressive. It is plain that the Nazis have no carefully thought out program to cope with economic conditions. They aim generally at a corporate state—industry organized into governmentally controlled syndicates—such as that planned for Italy. They are no nearer such a state today than they were a year ago. Before Hitler became chancellor of Germany he made many promises to restore prosperity to the German people. It is notable that scarcely one of them has been kept.

The main battle has, of course, been

against unemployment. When the Nazis took control there were about 6,000,000 people out of work in Germany. The government claims to have reduced this figure by sixteen per cent. But the statistics of the Reich Sickness Insurance Institute dispute this. On May 25, 1933, this organization to which all German workers must subscribe, had 13,170,000 paying members who were employed. On September 25 this number had increased to only 13,403,000. Likewise it is estimated that the total income of German workers, employees and domestic servants increased no more than four per cent from the third quarter of 1932 to the corresponding period in 1933.

Unemployment statistics in Germany are admittedly unreliable. Many people have lost their positions because they were not sympathetic to the Nazi régime. Others have been herded into concentration camps or have left the country. There is no doubt, however, that the lot of the workingman has not improved in the last year.

And there are other promises which have not been fulfilled. The thirteenth point in the official Nazi program, which has been in existence for some years, states: "We demand nationalization of all businesses which have been up to the present formed into companies (trusts)." Hitler soon found that he could not carry out this feature of his program, for the simple reason that his party had been financed, in fact, placed in power, by the very industrialists whom he would oust. In reality more property is under private control now than was under former Chancellor Brüning. And another point in the program, number seventeen, states: "We demand land reform suitable to our national requirements, confiscation without compensation of land for communal purposes, and the abolition of interest on land loans." It is significant that not a single large estate in Germany has been

broken up and apportioned among unemployed.

But these are not the only striking failures of Hitler's economic program. The following quotation from an article by Johannes Steel in the *British Contemporary Review* for February is revealing:

All . . . figures which are available now, and have been available during the year 1933, show the declining trend of activities in all spheres of industry and commerce. Tax receipts have fallen by 15 per cent during the last six months, and the income of the Reichsbahn (German railways) has declined by 17.5 per cent during the first six months of 1933. In the third quarter of 1933 there were 22.3 per cent fewer foreign visitors than in the same period of the preceding year. The aggregate business in the retail trades in the third quarter of 1933 was 7.5 per cent less than the same period of 1932. The Reich Ministry for Posts and Telegraphs reported in December a fall of more than 100,000,000 marks in the postal income of 1933 as compared with 1932. The coal output in 1933 is about 1,000,000 tons less than in 1932. . . . Indeed, every figure published during 1933 illustrates the worsening of the general situation of the Reich as well as that of the individual German.

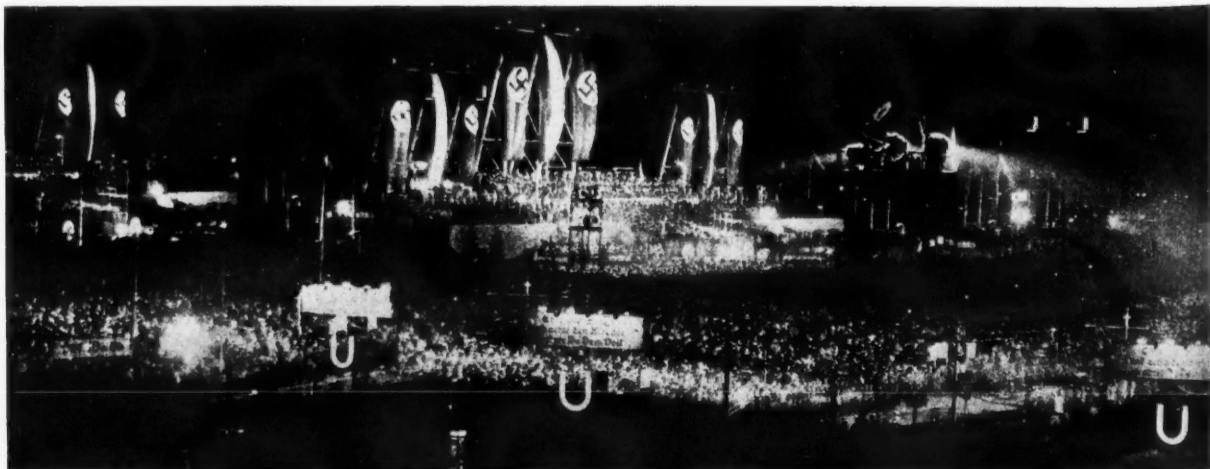
Thus Hitler's efforts to check the course of depression in Germany appear so far to have failed. What is more alarming is that there is no evidence of a definite plan of action on the part of the government. There is no clearly drawn campaign such as has been mapped out by the Roosevelt administration for the United States. Political events, of course, have interfered. Germany is still lost in her national awakening. The people generally still idolize their leader who has inspired them with renewed hope in a great future. If Hitlerism has not yet proved an economic success it certainly has been a tremendous emotional and spiritual success. An ominous note for the government is sounded, however, by the claims of the Communists, who say that their literature which has been banned and declared illegal, has a wider secret circulation now than when it was freely available, that is, before Hitler.

Foreign Affairs

Let us turn now to the final chapter in the record of Hitler's first year—foreign affairs. Achievements in this field are equalled only by those in the political sphere. It is everywhere admitted that the Nazis have been about as clever with their foreign policy as any government in Europe—many think they have been much cleverer. Some go so far as to state that Hitler is the most astute statesman in Europe. Certainly the facts seem to favor this conclusion.

The greatest danger confronting the Hitler government when it first took charge was that other nations would seize a pretext and wage a war against Germany as the best means of keeping her from growing strong again. There was serious talk of this in the various foreign offices of Europe. But Hitler, realizing his danger, proclaimed insistently that Germany was determined on a policy of peace and that she was ready to go as far as any nation in preventing the possibility of war. At the same time, however, he declared that Germany must be treated as an equal among the nations of Europe; that either

(Concluded on page 5, column 4)



HITLER SPEAKS

The Nazi chancellor addressing a night meeting in Tempelhof Field, Berlin.

—German Tourist Bureau

Shorter Working Hours and Recovery

(Concluded from page 1)

boom period in answer to only one question—Will it sell? Production was not based on the needs of the consumer, nor upon his ability to consume. The Roosevelt planners, therefore, feel that in the future, if we are to maintain and to some extent stabilize our prosperity, we must revise the purposes of industry. Industry must produce in accordance with a planned program of needs. Our national income must be distributed in such a way that those who need goods most will have the necessary buying power.

The Other Goal

Now, if our aim is not merely recovery, but a national plan to distribute the products of industry to the greatest number of people according to their needs, the place of employment in the whole scheme is rather different. With a planned economy in mind, it will not do simply to get ten million people back at work. They should be employed in producing goods and services that are really needed. They should be receiving wages that will enable them to buy as much goods as can be produced. Such sick industries as coal mining should not be trying to support more families than they can afford. Employment, then, is not the chief goal in a sound national industrial plan. The chief goals, ranking ahead of employment, are production planned for use, distribution of goods to a greater number of people, and consequently distribution of income to a greater number of people. Employment is only a means to these ends.

How do we stand at present in relation to these two ways of thinking—recovery and reform? The administration has been assuming that NRA would remold industry in accordance with the planning idea. Industries would find a balance for themselves by writing codes, planning production, eliminating unfair competition, price-cutting, industrial warfare. Labor would receive certain guarantees—minimum wages, the right to collective bargaining. In this way unemployment would be reduced. The codes provided for shorter hours, averaging thirty-eight to forty hours a week. New employees would be taken on as hours were reduced, and higher wages would spread buying power through the ranks of workers. They would be able to buy more, added production would result, and further employment would follow.

In the meantime, the federal government took over the burden of caring for the unemployed. The best form of unemployment relief was to put as many workers as possible on government payrolls, performing some useful tasks. This was the aim of PWA and CWA. As the months passed, according to the theory, private industry, made civilized and useful by NRA, would reemploy these millions.

Defects in NRA

After a little more than eight months of NRA, the administration realizes that the plan has, for the time being at least, broken down. For various reasons, private industry has not given jobs to enough unemployed persons to continue the progress of the national plan. The most important reason, as was brought out by representatives of industry, labor, and the public in the Washington NRA meetings early this month, is the flat failure of the majority of business men to live up to the codes. The most outspoken supporters of this fact in the meetings were the business men themselves. The amount of chiseling that has been done is almost unbelievable. The result is that real wages—wages in terms of buying power—have not increased a great deal, if at all. And industry has been producing all the goods it can sell without employing any more workers since the very earliest days of the codes.

As the president pointed out in his

speech to the code authorities, the government cannot go on forever carrying the load of unemployment. The cost is tremendous. To continue such projects as the CWA through another winter would destroy all hope of balancing the budget in 1936, and might imperil the credit of the government. The pressure upon the administration is so great that a showdown has resulted, involving the two basic ideas of recovery and reform. The presi-

ties did not react favorably last week when shorter hours were proposed. Some of them favored the step, but at least seventy-five per cent did not. These men see the need for further employment. They agree with the president that it would be good business to have more men employed, earning regular wages, buying goods which earn a profit for business. But they object to shorter working hours. Their opinions fall roughly into two

They feel that more labor costs, created by reduced hours, higher hourly wages and added employees, will push them over the edge, into operation at a loss.

Another Viewpoint

Then there is the other group in opposition. Their viewpoint is important especially because it has not been expressed for some time until the last few days. It runs essentially as follows: Even in 1929, with a forty-eight or fifty-hour week, we did not produce more goods than we can consume in the United States, provided income is widely distributed. We are now producing much less than we did five years ago. A further reduction in hours might do very well as a recovery measure, employing more people, and there is strong pressure in that direction. But later on, if the workers of the nation were to work only thirty hours a week, we would not produce enough goods to support the standard of living desired in the New Deal.

Such economic thinkers as the technocrats, Stuart Chase, and others, have told us that new methods and new machines will enable us to produce plenty of goods with a very short working week. Now an opposite group of economists and business men claims that even with all the machines at our command we cannot produce enough to maintain a high standard of living for all, unless all workers are kept on the job forty hours or so a week. This is the greatest problem which has arisen from these NRA meetings.

The administration is determined to reduce hours. Secretary Perkins says 1,500,000 more workers must be given jobs very soon in the heavy, or capital goods industries, such as the steel, building material, and machinery industries. In consumption goods industries, producing goods like food and clothing which are consumed by the public, at least 738,000 must be reemployed in the near future.

For that purpose, General Johnson and the entire NRA will concentrate on the code authorities. The method of persuasion to be used has not been definitely decided. Johnson has said, however, that there will be no order for a blanket reduction of hours. That is, he will not simply announce that hours in all industries are reduced by ten per cent or some such figure.

How It Will Be Done

Instead the NRA leaders will confer with the code authority of each industry, working for changes in the individual codes. Those industries which are in the best position financially, and which the NRA regards as able to bear added costs, will take the first steps. Other industries, smaller and weaker, may be dealt with more easily. Many exceptions to the shorter workweek will be allowed.

The NRA possesses one valuable weapon to use in this campaign. A bill similar to the Black thirty-hour bill, which was once passed by the Senate, has been introduced in Congress. It calls for a flat reduction of all working hours to thirty a week, and there is strong sentiment for it in both the House and the Senate. The code authorities may be afraid to oppose the establishment of the shorter week in their industries through changes in the codes, lest such action might result in the passage by Congress of the more drastic reduction measure.

Eventually the Roosevelt administration, business, and labor must find the answer to the question raised by those who believe shorter hours are destructive. Would a thirty-hour week reduce production so as to prevent a prosperous standard of living? The answer is not yet clear.

Eventually, too, this question must be answered: Is business recovery enough to give us a reasonably lasting prosperity, or must we have industrial reform and a more generous distribution of the national income, in order to be truly prosperous?



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"OUR IMMEDIATE TASK IS TO EMPLOY MORE PEOPLE AT PURCHASING WAGES."
—PRESIDENT ROOSEVELT.

dent and General Johnson have had to turn away from the moment from the reform and planning idea and toward the recovery idea. The thought uppermost in their minds now is that two million unemployed *must* be put to work. The government cannot continue to keep them at work. Therefore private business must do so. The demand itself is the product of the pressure pushing the New Deal toward a recovery solution during the coming year, in contrast to a reform solution.

As the articles on changes in the NRA in THE AMERICAN OBSERVER last week explained, the request for a reduction in the number of hours was coupled with a request for higher hourly wages. In order to increase total purchasing power, instead of just shifting part of it from those now employed to new employees, it is necessary to keep the same weekly wage. And that means more hourly pay for fewer hours per week.

The industrialists on the code authori-

ties lines of disagreement. There is one rather large group opposed to shorter hours now, because they think business could not bear the burden of added labor costs at this time. Many of them favor the principle of shorter hours, but they maintain that a reduction now would be ruinous to many lines of business.

Their argument runs something like this: There are thousands of firms operating now at the margin, at the very edge of economic life and safety. Many small businesses are in this position. They are paying the wages required by the NRA codes, and working their employees according to the codes—on a forty-hour week, for example. At the same time they have tried to keep the selling prices of their products as low as possible, in order to sell them in large volume, and in order to meet the demands of consumers in regard to prices. They find after a few months under the codes that they are barely able to stay in business at a profit.



The National Capital Week by Week

A Record of the Government in Action



THE administration has suffered a partial defeat on the air mail question. With the exception of such angry Republicans as Senator Fess and Representatives Hamilton Fish and Bertrand Snell, very few people question the justification for cancelling the air mail contracts and the wisdom of the president's action in ordering a housecleaning in commercial aviation. But the use of the army air corps to fly the mail temporarily is another matter. The air corps has been a failure on the job, and the administration admits it.

Army Flying Reduced

The president has ordered a sharp reduction in army mail flights. In a letter to Secretary of War Dern he said, "The ratio of accidents has been far too high during the past three weeks. Will you therefore please issue immediate orders stopping all carrying of air mail, except on such routes, under such weather conditions and under such equipment and personnel conditions as will insure, so far as the utmost care can provide, against constant recurrences of fatal accidents."

Ten army flyers have lost their lives since the air corps took over the mail job. The president pointed out in his letter than only four of these were actually flying the mail, that serious accidents on commercial lines had occurred during the same period, and that extremely bad weather conditions prevailed, but "nevertheless, the continuation of deaths in the army air corps must stop."

Mr. Roosevelt made it clear that he had given the air mail task to the army on the definite assurance given him that the air corps could safely handle the mail. It was not revealed who had given him this advice, but the responsibility appears to lie with the army aviation heads.

Earlier in the week President Roosevelt sent to Congress his plan for the future handling of the air mail business. It provides for the issuance of new contracts to commercial lines on a basis of strictly competitive bidding, with any joint agreements barred. It states further that the companies will be given six months in which to qualify for contracts. The terms of this "qualification" include reorganization of companies which are governed now by holding companies, or which have other air lines in control; also, no company may be awarded a contract which has among its officers men "who were party to obtaining former contracts under circumstances which were clearly contrary to good faith and public policy."

A Housecleaning

These terms mean that the companies whose contracts were cancelled will have to clean house. They will have six months in which to break away from holding companies, and to get rid of officers who took part in past agreements which the government considers fraudulent. There will probably be some opposition to the bill in Congress, and it may be amended somewhat. The president is clearly aiming to end so far as possible the diversion

of government air mail subsidies into private profits, instead of into the development of the country's aviation facilities. These extra sums, far above the cost of flying the mail, were originally begun with the intention that American aviation should be fully built up. Instead, a few large companies made profits, which in turn went into the hands of a few individuals.

Four large aviation holding companies control 95 per cent of the air lines in the

and navy under the influence of the munitions and armaments makers. These lobbyists are very efficient.

For example, they have had considerable to do with the entrance of the United States in the race for greater armaments, along with Japan, France, Great Britain and other countries. Last week the Senate passed the Vinson bill, which calls for 1184 new navy planes and nearly a hundred new ships. Opposition to a big navy

tice in Washington since Roosevelt's inauguration, has finally resigned. He is a close friend and adviser of the president, but that did not remove him from the class of politicians who are said to have used their "influence" with the administration in private practice.

Two other committee members also resigned last week. One was Mrs. Nellie Tayloe Ross, former governor of Wyoming and now director of the mint. The other was Jed C. Adams of Texas, a member of the Board of Tax Appeals. The general understanding in the capital is that Jim Farley will resign as chairman of the national committee, as soon as President Roosevelt can find a suitable successor to that important post.

The conservative element in business and in the administration has won a victory on the stock market bill. The drastic bill written by the young lawyers is being greatly modified. When the bill is finally passed, as it probably will be sometime this session, it will be less severe.

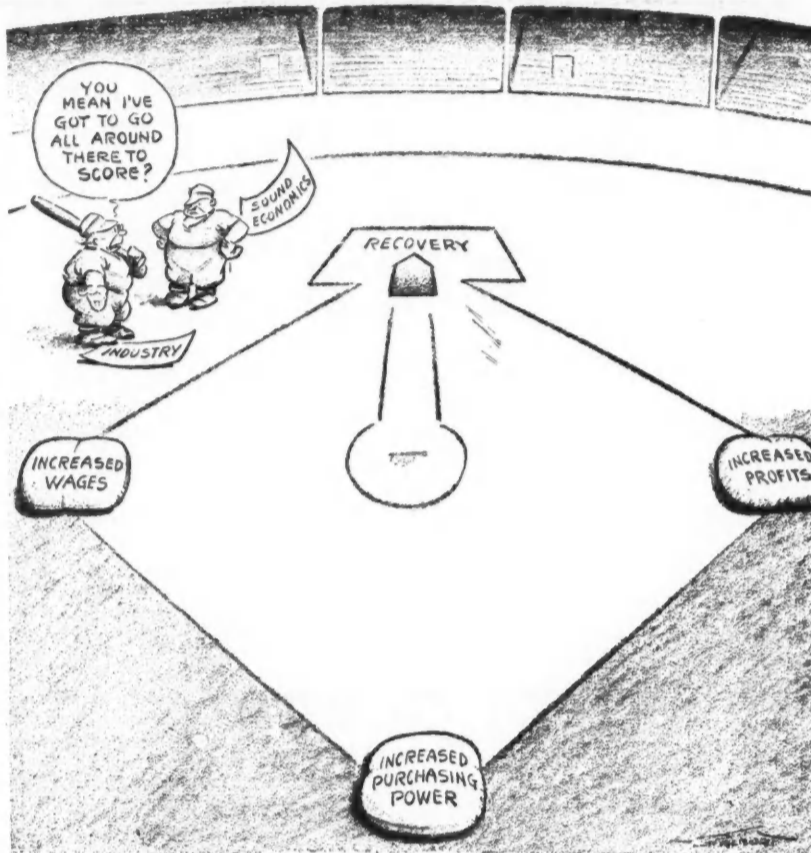
For the first time in history the United States Treasury has been robbed. One morning a few days ago guards in the first floor entrance lobby discovered that a display case there had been burglarized. The thieves got away with \$75 in gold coins and eleven scrap iron bars, gilded in imitation of gold and supposed to represent \$30,000 in gold bullion. Treasury officials smiled as they imagined the robbers' disgust when they discovered that the gilded bars were worthless and that the gold coins can no longer be used as money. The coins can be identified if they are presented at the Treasury in exchange for currency.

After Mellon's Millions

Income tax evasion suits are to be begun soon against Andrew W. Mellon, former secretary of the Treasury, James J. Walker, former mayor of New York City, and Thomas S. Lamont, a partner in the firm of J. P. Morgan and Company. At least an announcement to that effect was made recently by the Department of Justice. Attorney General Cummings said the cases had been referred to the federal attorneys at New York and Pittsburgh, with authority to present evidence to grand juries. Mr. Mellon, once characterized as the "greatest secretary of the Treasury since Alexander Hamilton," described the charges against him as "politics of the crudest sort."

Mr. Cummings has ruled that Secretary Ickes is the winner in the dispute he had with Comptroller General McCarl on the legality of the Federal Emergency Housing Corporation. Mr. McCarl opposed the operation of the FEHC on the ground that it had not been established within the bounds of the Constitution.

Ickes immediately transferred \$23,000,000 of public works housing funds to the FEHC. This money had been allotted for several months to housing projects in seven cities, but they were dropped because private corporations could not raise their share of the necessary funds.



AND THERE ISN'T ANY SHORT CUT!

—Talburt in Washington News

United States, as well as the same percentage of airplane manufacturing companies. They have been able to control the award of contracts for air mail and manufacturing contracts to supply the army and navy with planes. Incidentally, the present investigations of these supply deals indicate that the inferior performance of engines in the army air mail planes, which caused some of the recent deaths, may be charged directly to these same companies. It may be said without much fear of contradiction that they compose part of the "arms trust" which is gradually being exposed. It is the same sort of arms trust as France, Czechoslovakia, and other nations have. It maintains a swarm of powerful lobbyists in Washington, whose job it is to keep Congress and the army

has melted away. Senators Borah, Nye, and Dill waged a fight for peace, but it was futile. The action of the Roosevelt administration in exploring to the bottom the contract deals of the past and trying to limit profits in the present huge building program is commendable. Whether it will succeed in overcoming the graft and scheming of the arms trust lobby is very doubtful.

"I Resign"

The Democratic National Committee has experienced an outbreak of resignations, all in line with the Roosevelt announcement that politics and public service do not mix well. Arthur Mullen, a member of the committee from Nebraska who has carried on a lucrative law prac-

Something to Think About

1. What are the customary hours per week worked in your community? If hours were cut ten per cent by all the establishments in the community, would there be a corresponding increase in the number of persons employed?
2. Considering now the needs not of industry as a whole but of individual workers who are employed, how many hours of work a week do you think would be desirable? What sort of constructive activities would occupy the leisure time of laborers working only from thirty to thirty-six hours a week?
3. Do you think that a person working five hours a day would do better work than if he were on the job six or seven hours? Would he do better work if he were employed seven or eight hours a day than if he were employed ten or twelve hours a day?
4. Do you think that a high standard of living in America could be maintained if we materially shortened the weekly working hours?
5. Account for the fact that there is greater interest now than formerly in old age pensions and other forms of social insurance legislation.
6. Describe the means whereby the newspapers get information from the president.

7. Do you think a stern dictatorship like that of Hitler could be imposed upon France or Great Britain? Why?
8. Why is England likely to continue as an important world power?
9. What is the administration's plan for letting new air mail contracts?
10. Would you say that Hitler's first year as dictator of Germany has been a success or a failure? Why?
11. What is your opinion of the New York plan for raising relief funds by means of a lottery?
12. What significance do you attach to methods by which the Virgin Islands are to be reconstructed?

REFERENCES: (a) Is There Enough to Go Around? *Survey-Graphic*, December, 1933, pp. 595-599. (b) Shorter Hours, Bigger Output. *The New Republic*, February 7, 1934, pp. 356-357. (c) Nazi Dreams of World Power. *Current History*, February, 1934, pp. 535-541. (d) Red Berlin Today. *Living Age*, February, 1934, pp. 503-509.

PRONUNCIATIONS: Sforza (sfort'sa), Medici (may'dee-chee), Hugenberg (hoo'gen-bairg), Goemboes (guhmb'ush, u as in burn), Malraux (mal-ro, a as in pal, o as in go).